

# EXHIBIT 945

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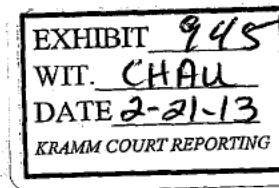
Performance Management

# **PAY FOR PERFORMANCE: 2009 Salary Budget Recommendations**

## **Executive Review**

January 21, 2009

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# AGENDA

## Performance Management

### ➤ **Market Study**

- Salary Increase Budgets
- Review Of Industry Practices
- Market Analysis of Competitive Cash Compensation

### ➤ **Recommendations**

- Pay Increase Budget
- Distribution Curve - Performance Rating and Merit Increase

### ➤ **Approval Process for 2009**

- Confirm process and timing for GWL & Board Meeting

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## Performance Management

## Market Study

## Salary Increase Budgets

## Surveys

## Mid 2008

## Late 2008

	<u>Merit</u>	<u>incl Promo/Adj</u>	<u>Merit</u>	<u>incl Promo/Adj</u>
<b><u>US</u></b>				
• Radford (AON):	4.0%	5.0%	3.8%	4.8%
• Croner SGS:	4.2%	5.6%	4.0%	5.0%
• Croner AVE: 4.0%	5.0%	TBD		
• World at Work:	4.0%	5.0%	N/A	
<b><u>Singapore</u></b>				
• Mercer Survey:	4.0%	4.8%	N/A	
• IPAS Survey:	4.2%	4.6%	N/A	

Note: Croner AVE is conducting an updated merit survey but not yet completed. Per Croner AVE meeting, most companies looking at 3.0% to 3.5% merit budget with additional budget for promo/adj

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## Market Study

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Salary Increase Budgets

**Studio/Network** (updates ongoing)

Company	Merit		Promo/Adj		Total		Increase
	FY08	FY09	FY08	FY09	FY08	FY09	Effctv Date

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# Market Study

## Salary Increase Budgets

### US - CPI

#### CPI - 2008

Annual: 3.1%

- 2nd Half 2007: 3.0%
- 1st Half 2007: 3.3%

#### CPI - 2007

Annual: 3.2%

2nd Half 2006: 3.3%

1st Half 2006: 3.3%

Series Id: CUURA422SA0, CUUSA422SA0

Not Seasonally Adjusted

Area: San Francisco-Oakland-San Jose, CA

Item: All items

Base Period: 1982-84=100

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
1998		3.4		3.1		3.4		3.3		2.9		3.0	3.2	3.3	3.1
1999		3.8		4.6		3.8		4.1		4.8		4.2	4.2	4	4.4
2000		4.2		3.8		4.2		4.7		4.7		5.5	4.5	4	4.8
2001		6.5		5.8		5.6		5.1		4.5		3.5	5.4	6.2	4.7
2002		1.8		2.1		1.2		1.3		1.4		1.4	1.6	1.9	1.4
2003		3.3		2.2		1.6		1.4		1		1.1	1.8	2.3	1.2
2004		0.2		0.5		1.4		1.2		2		2.2	1.2	0.7	1.7
2005		1.6		2.1		1.1		2.2		2.8		2.0	2.0	1.7	2.2
2006		2.9		3.2		3.9		3.8		2.5		3.4	3.2	3.2	3.3
2007		3.2		3.3		3.4		2.6		3.3		3.8	3.3	3.3	3.2
2008		2.8		2.9		4.2		4.2		3.6		0.0	3.1	3.3	3.0

Bureau of Labor Statistics

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Market Study

Salary Increase Budgets

## Singapore - CPI

### CPI

- 2008: 4.7%
- 2007: 2.1%

Country	GDP Growth			Unemployment Rate			CPI Inflation		
	2007	2008	Trend '07 to '08	2007	2008	'07 to '08	2007	2008	Trend '07 to '08
Hong Kong	6.3	4.3	▼	4.1	3.9	▼	12.0	3.6	▼
Japan	2.1	1.4	▼	3.9	3.9	▼	0.0	0.6	▲
Singapore	7.7	4.0	▼	2.1	2.1	▼	2.1	4.7	▲
South Korea	5.0	4.2	▼	3.3	3.1	▼	2.5	3.4	▲
Taiwan	5.7	3.4	▼	3.9	3.9	▼	1.8	1.5	▼
China	11.4	9.3	▼	9.5	n/a	n/a	4.8	5.9	▲
India	9.2	7.9	▼	n/a	n/a	n/a	6.4	5.2	▼
United States	2.2	0.5	▼	4.6	5.4	▲	2.9	3.0	▲

Aon/Radford- Global High-Tech Compensation Trends: Asia/Pacific Region

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Market Study

Analysis of Competitive Pay Compensation

Market Data Comparison  
December 2008

Note: Excludes Executives

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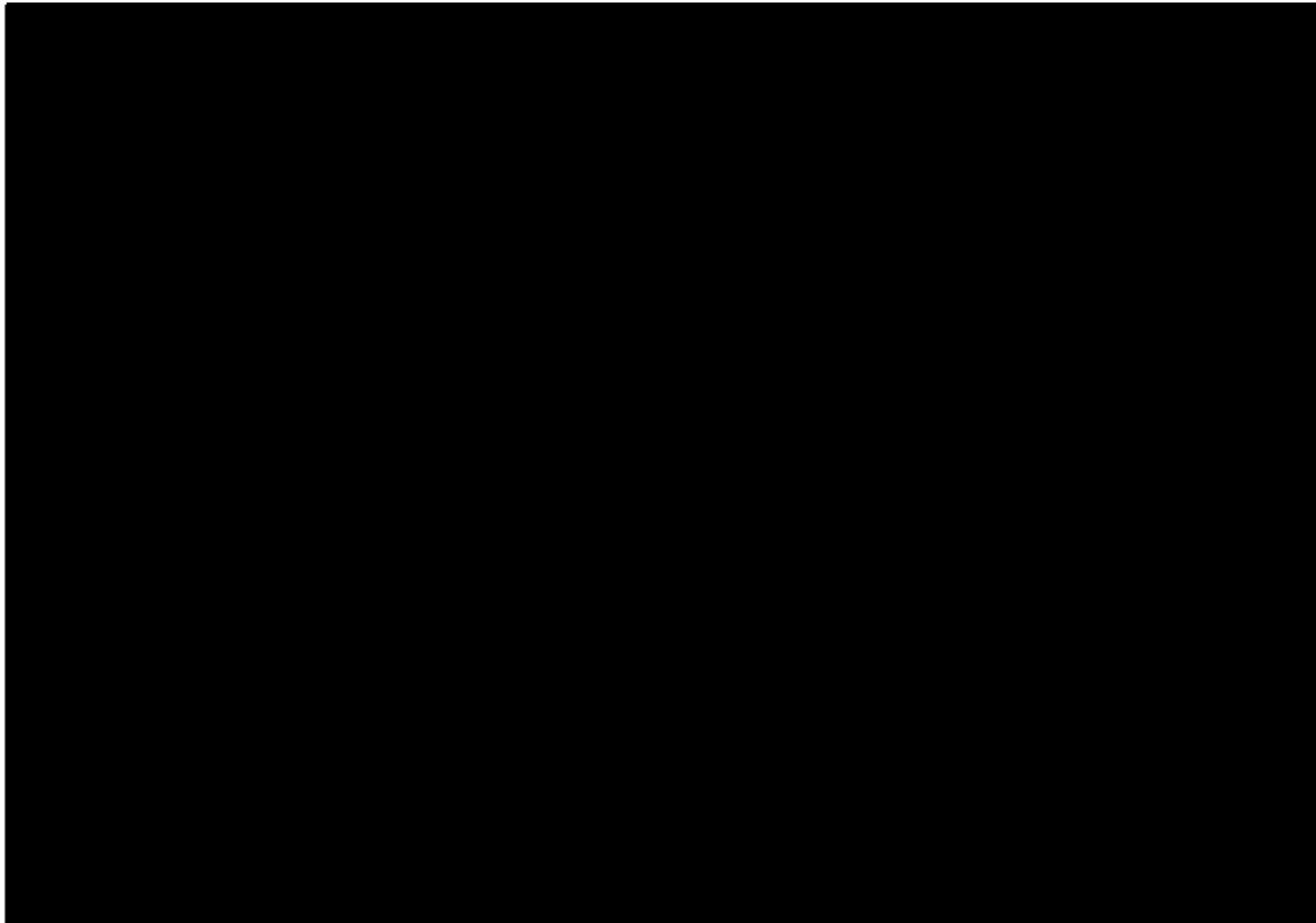
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Recommendations  
Pay Increase Budget



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## **Currently Scheduled:**

- Mich/Executive Review Meetings – March 2 thru March 5
- Mich Final Review Meeting – March 5
- Mich/George Review Meeting – Friday, March 6
  - Mich and George usually have meetings on Friday

**What additional reviews/approvals needed for merit budget spend?**



### **Currently Scheduled:**

- Board meeting scheduled on April 3
  - Board to review and approve Finance Audit
- Bonuses to be paid on April 10 if approval received

### **Spot Bonus Pools:**

- Determination and approval required for Spot Bonus Pools





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# Appendices

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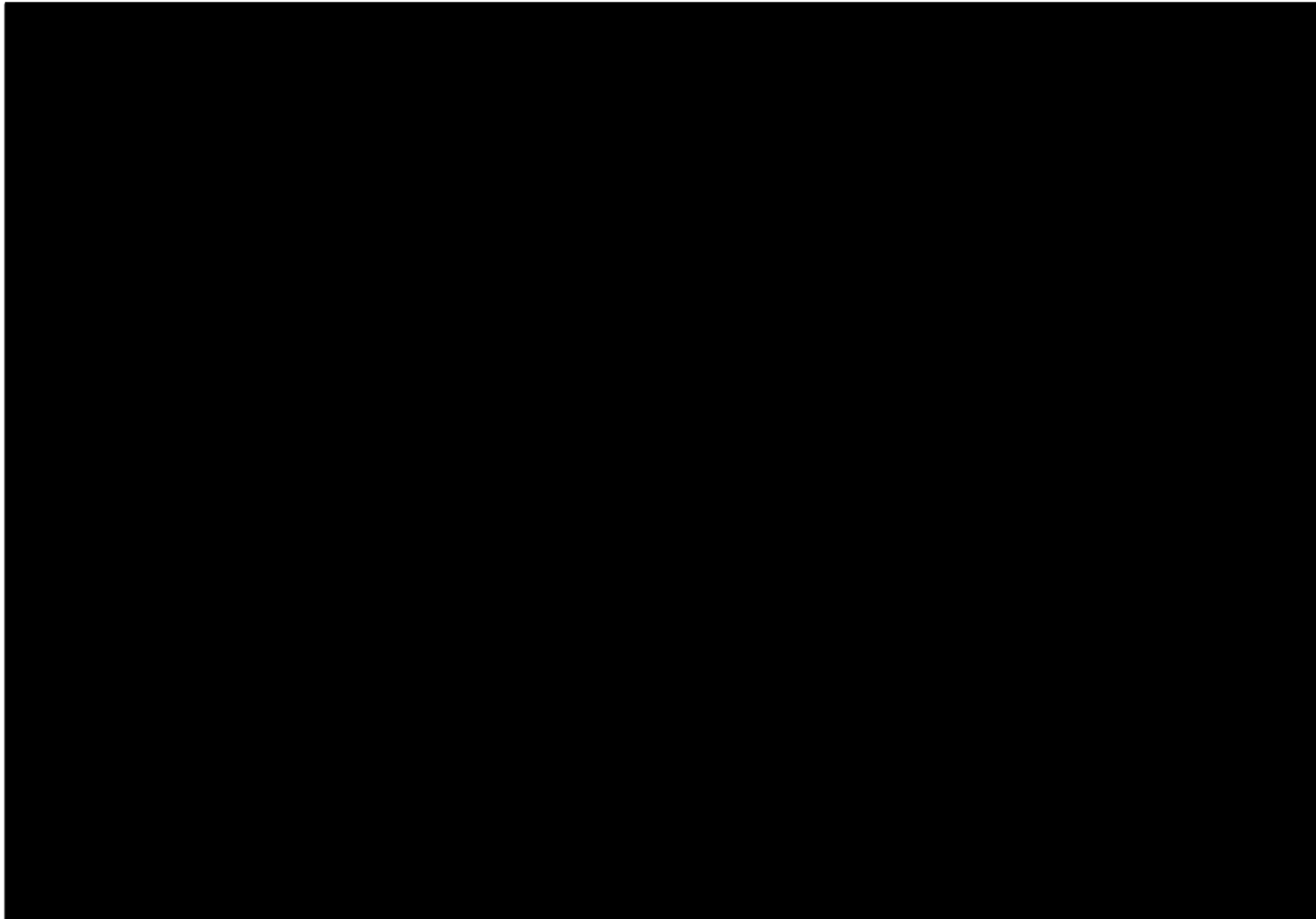
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## 2007 Actual Merit and Callout Spend



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**Elements of Cash Compensation**

For most employees at Lucasfilm, the elements of cash compensation will be base pay and annual bonus (short term incentive) payments. These elements will be used in benchmarking our total cash compensation to relevant positions in the external market.

**Benchmarking****Base Salary Adjustments (Merit Increases)**

Base salary adjustments will be done annually, linked to employee performance reviews. The level of increases will be determined by analyzing both external market practices and company performance and then will be awarded based on individual performance.





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Market Study

Salary Increase Budgets

## Utilized Surveys

- Radford (Includes SW & Tech Industry in SF/Bay Area)
- Croner Software Games (Gaming Industry)
- Croner Animation and Visual Effects in the (Film Industry)
- Mercer Survey (Singapore)
- IPAS Survey (Singapore)

## Industry Specific Budgets

- Studios and Gaming

## CPI

- San Francisco-Oakland-San Jose, CA – All items

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Review of Past Practices

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